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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	: Chapter 11 Case No.
LEHMAN BROTHERS HOLDINGS INC., <i>et al.</i> ,	: 08-13555 (JMP)
Debtors.	: (Jointly Administered)
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**STIPULATION CONCERNING THE HEARING ON THE MOTION OF
MASSACHUSETTS HOUSING FINANCE AGENCY FOR A DETERMINATION THAT
THE AUTOMATIC STAY DOES NOT BAR COMMENCEMENT OF CERTAIN
LITIGATION AGAINST THE DEBTORS FOR POST-PETITION CONDUCT OR, IN
THE ALTERNATIVE, GRANTING RELIEF FROM THE AUTOMATIC STAY TO
PERMIT COMMENCEMENT OF SUCH LITIGATION**

Lehman Brothers Holdings Inc., as Plan Administrator (“LBHI” or the “Plan Administrator”) pursuant to the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and Its Affiliated Debtors (the “Plan”) for Lehman Brothers Special Financing Inc. (“LBSF”), and Massachusetts Housing Finance Agency (“MHFA” and, together with the Plan Administrator, the “Parties”), hereby stipulate and agree as follows:

RECITALS

A. WHEREAS, commencing on September 15, 2008 and periodically thereafter (the “Commencement Date”), LBHI and certain of its subsidiaries, including LBSF,

commenced voluntary cases (the “Chapter 11 Cases”) under chapter 11 of title 11 of the United States Code before the United States Bankruptcy Court for the Southern District of New York (the “Court”);

B. WHEREAS, as of the Commencement Date, the Parties were parties to certain unexpired derivative contracts (the “Swap Agreements”);

C. WHEREAS, following the Commencement Date, the Debtors asserted that the Swap Agreements constituted Derivatives Contracts With Recovery Potential as defined in this Court’s *Alternative Dispute Resolution Procedures Order for Affirmative Claims of Debtors Under Derivatives Contracts* [ECF No. 5207] (the “ADR Procedures Order”);¹

D. WHEREAS, on December 5, 2012, LBSF served upon MHFA, pursuant to the terms of the ADR Procedures Order, a Derivatives ADR Package containing, *inter alia*, Derivatives ADR Notice No. 295 (the “ADR Notice”), thereby designating the Parties’ dispute concerning the Swap Agreements (as more fully described in the ADR Notice, the “Dispute”) as one subject to the mandatory Derivatives ADR Procedures;

E. WHEREAS, on December 27, 2012, MHFA filed the *Motion of Massachusetts Housing Finance Agency for a Determination that the Automatic Stay Does Not Bar Commencement of Certain Litigation Against the Debtors for Post-Petition Conduct or, in the Alternative, Granting Relief from the Automatic Stay to Permit Commencement of Such Litigation* [ECF No. 33427] (the “Motion”), which seeks either: (i) a determination that the automatic stay imposed by Section 362 of the Bankruptcy Code does not prevent MHFA from commencing litigation against the Debtors in Massachusetts state court in connection with the

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the ADR Procedures Order.

Dispute; or, alternatively, (ii) relief from the automatic stay in order to permit MHFA to commence such litigation;

F. WHEREAS, on January 4, 2013, MHFA served its Response to the ADR Notice (the “ADR Response”), and on January 18, 2013, LBSF served its Reply to the ADR Response (the “ADR Reply”);

G. WHEREAS, the Parties’ Dispute did not get resolved through the Notice/Response Stage of the Derivatives ADR Procedures and has proceeded to the Mediation Stage of the Derivatives ADR Procedures;

H. WHEREAS, mediation of the Parties’ Dispute as contemplated by Paragraph 9 of the ADR Procedures Order (the “Mediation”) is scheduled to commence on May 9, 2013;

I. WHEREAS, MHFA intends to participate in the Mediation in good faith and wishes to give the Mediation and the Derivatives ADR Procedures every opportunity to succeed, and MHFA therefore has agreed to adjourn any hearing on the Motion, and all briefing, deadlines and/or other proceedings relating thereto, until after the Mediation has concluded;

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED BY AND BETWEEN THE PARTIES THAT:

1. The hearing on the Motion (the “Hearing”) shall be adjourned until the first Omnibus Hearing² to occur on a date that is at least thirty (30) calendar days after the End of Mediation, unless further adjourned by agreement of the Parties or by the Court. As used herein, the term “End of Mediation” shall mean the date as of which the Mediation has formally ended

² The term “Omnibus Hearing” shall have the meaning ascribed to it in the *Second Amended Order Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rules 1015(c) and 9007 Implementing Certain Notice and Case Management Procedures* [ECF No. 9635] (the “Case Management Order”).

pursuant to, and in accordance with, the provisions of Paragraph 10(g) of the ADR Procedures Order.

2. The Plan Administrator shall file its objection or response to the Motion (the “Lehman Opposition”), if any, no later than fifteen (15) calendar days following the End of Mediation, unless otherwise agreed upon by the Parties.

3. Upon the filing by the Plan Administrator of the Lehman Opposition, MHFA may (but shall not be required to) file a reply to the Lehman Opposition (the “MHFA Reply”), provided that such MHFA Reply shall be filed no later than seven (7) calendar days after the date on which the Lehman Opposition was filed, unless otherwise agreed upon by the Parties.

Dated: April 3, 2013
New York, New York

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